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SAP SE  
3410 HILLVIEW AVENUE  
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EXAMINER
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GILKEY, CARRIE STRODER

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* DIETMAR ENGELMANN, PHILIPP KEHRER,  
MARTIN MOLZ, DIRK SCHELLER,  
VOLKER SCHNUCK, and STEPHAN WILHELM

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Appeal 2016-003252  
Application 10/456,260  
Technology Center 3600

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Before HUBERT C. LORIN, BIBHU R. MOHANTY, and  
MICHELLE R. OSINSKI, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants<sup>1</sup> seek our review under 35 U.S.C. § 134 of the final rejection of claims 1, 4–10, 13, 14, and 16–20 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF THE DECISION

We AFFIRM.

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<sup>1</sup> According to Appellants, the real party in interest is SAP SE. App. Br. 3.

## THE INVENTION

The Appellants' claimed invention is directed to a method and system for managing transactions between two or more parties, in which one or more of these obligations have not been completely or partially fulfilled (Spec. para. 2). Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A computer-implemented method for processing a business transaction between at least two parties, the method performed by a computer comprising at least one memory having program instructions to execute at least one program component and at least one processor to execute the program instructions, the method comprising the steps of:
  - receiving, in the at least one memory of the computer, transaction information identifying a business transaction comprising one or more obligations owed by at least one of the at least two parties to the other parties;
  - receiving electronic dispute information indicating that at least one of the one or more obligations of the business transaction has not been fulfilled;
  - determining if the dispute information is valid;
  - automatically determining, by the at least one processor, a first code representing information that describes how the one or more obligations have not been fulfilled, the determination of the first code involving the application of one or more rules relating to the business transaction;
  - creating a data object, distinct from the transaction information, comprising some or all of the transaction information and the dispute information only if the dispute information is determined to be valid;
  - associating, by the at least one processor, the first code with the created data object and the data object with the transaction information such that an update of the information of one automatically results in the update of information to the other; and
  - transmitting the created data object to a dispute resolution entity for resolution.

### THE REJECTION

The following rejection is before us for review:

Claims 1, 4–10, 13, 14, and 16–20 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

### FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence.<sup>2</sup>

### ANALYSIS

The Appellants argue that the rejection of claim 1 is improper because the claim is not directed to an abstract idea and does not preempt an entire field (App. Br. 12–16). The Appellants also argue that the claim is directed to “significantly more” than any abstract idea (App. Br. 17–20).

In contrast, the Examiner has determined that the rejection of record is proper (Final Act. 2–4; Ans. 2–9).

We agree with the Examiner. Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “laws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

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<sup>2</sup> *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

In judging whether claim 1 falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. If so, we then consider the elements of the claim both individually and as “an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application of the abstract idea. *Id.* This is a search for an “inventive concept” an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.* The Court also stated that “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Id.* at 2358.

Here, we determine that the claim is directed to the concept of processing a business transaction between two parties in which there is a dispute and creating a data object that includes transaction and dispute information. This is a fundamental economic practice long prevalent in our system of commerce and method of organizing human activities and is an abstract idea beyond the scope of § 101.

We next consider whether additional elements of the claim, both individually and as an ordered combination, transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea using generic computer components. We conclude that it does not.

Considering each of the claim elements in turn, the function performed by the computer system at each step of the process is purely conventional. Each step of the claimed method does no more than require a generic computer to perform a generic computer function.

We note the point about pre-emption (App. Br. 16). While pre-emption “‘might tend to impede innovation more than it would tend to promote it,’ thereby thwarting the primary object of the patent laws” (*Alice*, 134 S. Ct. at 2354 (quoting *Mayo*, 132 S. Ct. 1289, 1293 (2012))), “the absence of complete preemption does not demonstrate patent eligibility” (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). *See also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”), *cert. denied*, 136 S. Ct. 701 (2015).

Here, the claim is not rooted in technology but rather in the concept of processing a business transaction between two parties in which there is a dispute and creating a data object that includes transaction and dispute information which is a fundamental economic practice and a method of organizing human activities and an abstract idea. Further, the recited claim limitations fail to transform the abstract nature of the claim into patent-eligible subject matter. For these above reasons, the rejection of claim 1 is sustained. Dependent claims 4–9 and independent claim 20 are directed to similar subject matter and the rejection of these claims is sustained as well.

We reach the same conclusion as to independent system claim 10 and its dependent claims. Here, as in *Alice*, “the system claims are no different

in substance from the method claims. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea.” *Alice*, 134 S. Ct. at 2351. “[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea ‘while adding the words “apply it”’ is not enough for patent eligibility.” *Id.* at 2358 (quoting *Mayo*, 132 S. Ct. at 1294).

#### CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 1, 4–10, 13, 14, and 16–20 under 35 U.S.C. § 101.

#### DECISION

The Examiner’s rejection of claims 1, 4–10, 13, 14, and 16–20 is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv). *See* 37 C.F.R. § 41.50(f).

AFFIRMED